



92 14 6530

03313
0-35847 FORM 10-Q

MANUALLY SIGNED COPY

11/14

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Pg 2-2260

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934For Quarter Ended March 31, 1992 Commission File No. 0-13507RURBAN FINANCIAL CORP.
(Exact name of registrant as specified in its charter)Ohio
(State or other jurisdiction of
incorporation or organization)34-1395608
(I.R.S. Employer
Identification No.)401 Clinton Street, Defiance, Ohio 43512
(Address of principal executive offices)
(Zip Code)(419) 782-8950
(Registrant's telephone number, including area code)None
(Former name, former address and former fiscal year, if
changed since last report.)

Indicate by check mark whether the registrant (1) has
filed all reports required to be filed by Section 13 or 15(d) of
the Securities Exchange Act of 1934 during the preceding 12 months
(or for such shorter period that the registrant was required to
file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes X

No

The number of common shares of Rurban Financial Corp.
outstanding was 882,515 on May 5, 1992.

BEST COPY
AVAILABLE

Page 1 of 11

PROCESSED BY

11-11-V
MAY 14 1992Microfilmed by
Q-Data Corp. - St. Petersburg, FL

PART 1 - FINANCIAL INFORMATION

Item 1. Financial statements

The interim consolidated financial statements of Rurban Financial Corp. are unaudited; however, the information contained herein reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of financial condition and results of operations for the interim periods presented. All adjustments reflected in these financial statements are of a normal recurring nature in accordance with Rule 10-01(b)(8) of Regulation S-X. Results of operations for the three months ended March 31, 1992 are not necessarily indicative of the results for the complete year.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

RURBAN FINANCIAL CORP. AND SUBSIDIARIES

	March 31 <u>1992</u> (Unaudited)	December 31 <u>1991</u> (Note)
ASSETS		
Cash and due from banks	\$ 11,386,267	\$ 14,762,729
Federal funds sold	<u>-0-</u>	<u>-0-</u>
TOTAL CASH AND CASH EQUIVALENTS	11,386,267	14,762,729
Interest bearing deposits in other banks	100,000	100,000
Investment securities (market value-- \$61,253,000 at March 31, 1992 and \$66,367,000 at December 31, 1991)	60,213,832	64,752,172
Securities held for sale (market value-- \$3,963,000 and \$3,139,000 respectively)	3,941,723	3,067,137
Loans and lease financing receivables, net of allowance for losses of \$2,704,147 and \$2,701,835 respectively	181,990,852	178,629,305
Loans held for sale	5,470,540	2,916,590
Premises and equipment, net	5,971,633	5,915,365
Accrued interest and other assets	<u>5,338,711</u>	<u>4,707,686</u>

TOTAL ASSETS

\$274,413,558 \$274,850,984

	March 31 <u>1992</u> (Unaudited)	December 31 <u>1991</u> (Note)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest bearing	\$ 28,248,291	\$ 31,558,234
Interest bearing	<u>207,118,443</u>	<u>210,284,345</u>
TOTAL DEPOSITS	235,366,734	241,842,579
Short-term borrowings:		
Federal funds purchased and securities sold under agreements to repurchase	10,320,000	4,755,000
Other	<u>-0-</u>	<u>167,577</u>
TOTAL SHORT-TERM BORROWINGS	10,320,000	4,922,577
Accrued expenses and other liabilities	<u>2,084,659</u>	<u>1,978,454</u>
TOTAL LIABILITIES	247,771,393	248,743,610
SHAREHOLDERS' EQUITY		
Common Shares, stated value \$5.00 a share:		
Authorized--1,500,000 shares		
Issued--882,515 after deducting 3,368 shares in treasury	4,412,575	4,412,575
Capital surplus	8,389,425	8,389,425
Retained earnings	<u>13,840,165</u>	<u>13,305,374</u>
TOTAL SHAREHOLDERS' EQUITY	<u>26,642,165</u>	<u>26,107,374</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$274,413,558</u>	<u>\$274,850,984</u>

See notes to condensed consolidated unaudited financial statements

Note: The balance sheet at December 31, 1991, has been derived from the audited financial statements at that date.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

RURBAN FINANCIAL CORP. AND SUBSIDIARIES

	Three Months Ended March 31	
	1992	1991
Interest income:		
Loans and leases, including fees	\$ 4,525,893	\$ 4,495,612
Investment securities:		
Taxable	1,027,818	1,079,598
Tax-exempt	129,550	151,513
Other	<u>10,448</u>	<u>238,690</u>
TOTAL INTEREST INCOME	5,693,709	5,965,413
Interest expense:		
Deposits	2,686,735	3,191,623
Short-term borrowings	<u>76,139</u>	<u>60,250</u>
TOTAL INTEREST EXPENSE	<u>2,762,874</u>	<u>3,251,873</u>
NET INTEREST INCOME	2,930,835	2,713,540
Provision for losses	<u>157,500</u>	<u>109,500</u>
NET INTEREST INCOME AFTER PROVISION FOR LOSSES	2,773,335	2,604,040
Other income:		
Trust department	250,000	210,000
Service charges on deposit accounts	198,620	190,989
Data processing fees	487,505	418,406
Investment security gain (loss)	4,950	(5,091)
Other	<u>96,774</u>	<u>83,306</u>
TOTAL OTHER INCOME	1,037,849	897,610
Other expenses:		
Salaries and employee benefits	1,245,314	1,160,237
Net occupancy expense	136,062	135,458
Equipment expense	268,838	242,619
Other	<u>914,076</u>	<u>910,017</u>
TOTAL OTHER EXPENSE	<u>2,584,290</u>	<u>2,448,331</u>
INCOME BEFORE INCOME TAXES	1,226,894	1,053,319
Applicable income taxes	<u>392,048</u>	<u>310,000</u>
NET INCOME	<u>\$ 834,846</u>	<u>\$ 743,319</u>
Net income per Common Share	\$.95	\$.91
Average shares outstanding	882,515	820,682

See notes to condensed consolidated unaudited financial statements

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
 RURBAN FINANCIAL CORP. AND SUBSIDIARIES

	Three Months Ended	
	March 31	
	1992	1991
Balance beginning of period	\$ 26,107,374	\$ 21,413,988
Net Income	834,846	743,319
Cash dividends (\$.34 per share)	(300,055)	(300,055)
Common stock issued - 105,000 shares	<u>-0-</u>	<u>2,887,500</u>
Balance end of period	<u>\$ 26,642,165</u>	<u>\$ 24,744,752</u>

See notes to condensed consolidated unaudited financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

RURBAN FINANCIAL CORP. AND SUBSIDIARIES

	Three Months Ended March 31	
	1992	1991
Cash Flows From Operating Activities		
Cash received from customers' fees and commissions	\$ 1,032,899	\$ 902,701
Cash paid to suppliers and employees	(3,124,249)	(2,674,747)
Interest received	5,645,770	5,379,263
Interest paid	(2,889,069)	(3,072,254)
Income taxes paid	(40,000)	(42,000)
Net cash from operating activities	<u>625,351</u>	<u>492,961</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investment securities	8,971,041	3,963,604
Proceeds from sales of investment securities	1,078,684	-0-
Purchase of investment securities	(6,381,021)	(19,147,134)
Net (increase)/decrease in loans	(10,684,470)	(3,692,386)
Proceeds from sales of loans	4,512,384	-0-
Recoveries on loan charge-offs	85,535	86,267
Premises and equipment expenditures	(205,489)	(42,167)
Payment for purchase of First National Bank net of cash acquired	-0-	4,145,000
Net cash from investing activities	<u>(2,622,326)</u>	<u>(14,686,816)</u>
Cash Flows From Financing Activities		
Net increase/(decrease) in deposits	(6,475,845)	3,220,696
Net increase/(decrease) in short-term borrowings	5,397,423	2,105,799
Dividends paid	(300,055)	(300,055)
Net cash from financing activities	<u>(1,378,477)</u>	<u>5,026,440</u>
Net Change In Cash and Cash Equivalents	(3,376,462)	(9,167,413)
Cash and Cash Equivalents At Beginning of Year	<u>14,762,729</u>	<u>27,696,730</u>
Cash and Cash Equivalents At End of Year	<u>\$11,386,267</u>	<u>\$18,529,317</u>
Reconciliation Of Net Income To Net Cash From Operating Activities		
Net income	\$ 834,846	\$ 743,319
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	149,221	118,783
Amortization of intangible assets	58,750	58,000
Provision for loan losses	157,500	109,500
(Gain)/loss on sale of investment securities	(4,950)	5,091
Increase/(decrease) in unearned lease income	-0-	(10,087)
Increase/(decrease) in deferred loan fees	13,554	775
(Increase)/decrease in interest receivable	(61,493)	(576,838)
(Increase)/decrease in other assets	(628,282)	(391,776)
Increase/(decrease) in interest payable	(126,195)	179,619
Increase/(decrease) in income taxes payable	352,048	268,000
Increase/(decrease) in other liabilities	(119,648)	(11,423)
Net cash from operating activities	<u>\$ 625,351</u>	<u>\$ 492,961</u>

See notes to condensed consolidated unaudited financial statements.

NOTES TO CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
RURBAN FINANCIAL CORP. AND SUBSIDIARIES

NOTE A--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes included in the Corporation's annual report for the year ended December 31, 1991.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Rurban Financial Corp. ("Rurban") was incorporated on February 23, 1983, under the laws of the State of Ohio. Rurban is a bank holding company registered with the Federal Reserve Board under the Bank Holding Company Act of 1956, as amended. Rurban's subsidiaries, The State Bank and Trust Company ("State Bank"), The Peoples Banking Company ("Peoples Bank") and The First National Bank of Ottawa ("First National Bank") are engaged only in the industry segment of commercial banking. Rurban's subsidiary, Rurbanc Data Services ("Rurbanc"), provides computerized data processing services for the Corporation's subsidiary banks as well as other banks and businesses. Rurban's subsidiary, Rurban Life Insurance Company ("Rurban Life") has a certificate of authority from the State of Arizona to transact insurance as a domestic life and disability reinsurer.

Liquidity

Liquid assets consist of cash, amounts due from banks, investment securities and federal funds sold. These assets decreased \$7,040,216 from December 31, 1991 to March 31, 1992. Liquid assets were 30% of total assets at December 31, 1991 and 28% of total assets at March 31, 1992. This difference represents normal fluctuation and was not due to any change in policy of management regarding liquidity.

Capital Resources

Capital Resources increased \$534,791 between December 31, 1991 and March 31, 1992. This increase was attributed to earnings of \$834,846 less dividends declared, during the three months ended March 31, 1992, of \$300,055.

The following table provides the minimum regulatory capital requirements and the Corporation's capital ratios at March 31, 1992:

	Minimum Regulatory Capital Requirements		Corporation's Capital Ratio
	3-31-92	12-31-92	
Ratio of tier 1 capital to weighted-risk assets	3.625%	4.00%	13.27%
Ratio of total capital to weighted-risk assets	7.250%	8.00%	14.67%
Ratio of shareholders' equity to weighted risk assets	3.250%	4.00%	13.85%
Leverage Ratio	3.000%	4.00%	9.34%
Ratio of total shareholders' equity to total assets	None	None	9.71%

The Corporation's subsidiaries meet the applicable minimum regulatory capital requirements at March 31, 1992. The Corporation remains comfortably above the minimum regulatory capital requirements. The Banking Regulators may alter minimum capital requirements as a result of revising their internal policies and their ratings of the Corporation's Subsidiary Banks.

As of March 31, 1992, management is not aware of any current recommendation by banking regulatory authorities which if they were to be implemented would have, or are reasonably likely to have, a material adverse effect on the Corporation's liquidity, capital resources or operations.

Supplemental Information

There were no material increases or decreases in regard to non-performing assets as of March 31, 1992 compared to December 31, 1991.

Material Changes in Financial Condition

There were no material changes in financial condition as of March 31, 1992 compared to December 31, 1991.

Material Changes in Results of Operations

Net income for the quarter ended March 31, 1992 was \$834,846 which is 12% more than the \$743,319 reported for the same period in 1991. The principle reasons for this are: (1) Net interest income increased \$217,295 or 8% over the first quarter of 1991. (2) Total other income increased \$140,239 when compared to the first quarter of 1991 due mainly to increases of \$40,000 in trust fees and \$69,099 in data processing fees. (3) Total other expenses increased \$135,959 over the same period last year, due mainly to increases in salaries and employee benefits of \$85,077 and equipment expense of \$26,219.

PART 11 - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

No reports were filed during the quarter for which this form is filed.

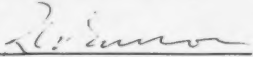
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

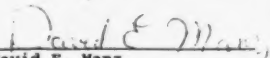
RURBAN FINANCIAL CORP.

Date May 12, 1992

By


Richard C. Burrows
President

By


David E. Manz
Executive Vice President &
Chief Financial Officer